

The Economic Benefits of Building 922 Homes in Gallatin County in 2006

922 new single family homes were built in Gallatin County including Bozeman and Belgrade during the year 2006. A study completed by an MSU Billings Economist highlights the important contribution that these homes make to the local economy. According to the study which used U.S. Department of Commerce models, the revenues generated from positive economic benefits of new home construction in a number of Montana communities significantly exceed the public costs of governmental services.

According to the study the construction of new housing generates a variety of local economic impacts – increasing costs to communities in some ways and providing benefits in others. Some impacts occur only in the year when the construction and development takes place. Others are ongoing and continue to be felt year after year. These impacts include one time costs such as streets, water supply and other community infrastructure. One-time benefits include construction jobs created, taxes, permits, development fees and other fees. Ongoing impacts include services to new home residents. Ongoing benefits include real estate and other tax revenue along with local income and government revenue generated by the spending of new home occupants. The ongoing benefits of homebuilding can offset the costs of developing and maintaining community infrastructure through growth in local business income, job creation and resultant increases in local taxes.

The estimated first year economic benefits of the 922 homes built throughout Gallatin County last year include the creation of 1892 jobs, \$19,658,045 in local business income, \$46,549,164 in local salaries and \$5,102,089 in local taxes. Ongoing annual economic benefits of those 922 homes include the creation of 622 permanent jobs, \$3,346,423 in local business income, \$15,794,766 in local wages and salaries and \$2,794,526 in local Taxes.

Economic Impact of Building the 922 Homes Built in Gallatin County in 2006

FIRST YEAR BENEFITS

- 1892 Jobs
- \$19,658,045 in Local Business Income
- \$46,549,164 in Local Salaries
- \$5,102,089 Local Government Revenue

ONGOING BENEFITS

- 622 Permanent Jobs
- \$3,346,423 in Local Business Income
- \$15,794,766 in local Salaries
- \$2,794,526 Local Government Revenue